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From: Webster, Sarah

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Interior energy rules land in CRA crosshairs.pdf

Martha.

See draft below. Please send me your comments before I distribute. I also attached a PDF with a longer version of the Energywire story.

News Clips for February 13 to 21, 2017

Local News Clips

Conservation and Sustainable Management of Groundwater in Desert is Worthy of Support

kcet.org, February 14

Over the last two decades, California has grappled with systemic challenges to its traditional water supplies. Climatic extremes and more regular dry years are the new normal. The availability of reliable water to meet all of the state's demands is a persistent public policy issue. It is a bedrock social justice issue. We need water for our people, our environment and to sustain our way of life.

Landowners Face More Tree Hazard Worries From Storm Saturation

myMotherLode.com, February 20

Tree mortality, already an issue due to bark beetle damage and the extreme nature of this season's storms, is now on the rise due to over-saturated soils. Lauralee Brown, a local homeowner of a wooded property near Twain Harte, shares how one of her tenants called her after, literally, experiencing a close shave this past Friday morning, compliments of a cedar tree.

National News Clips

Sportsmen Stand Up to Defend BLM 2.0

Public News Service, Monday, February 13

A coalition of sportsmen and conservation groups is standing up for the Bureau of Land Management's new land-use planning policies after the U.S. House invoked a rarely used rule to roll back the initiative. The Senate is expected to vote on eliminating the rules next week.

U.S.: Bundy's son tore up a '98 court order that barred family's cattle from Gold Butte

News2live, Monday, February 13

The federal trial for six defendants in the Bundy Ranch standoff case continued on Monday. Cliven Bundy's federal attorney says Cliven would do whatever it takes to protect his livestock from a roundup. That same attorney was one of the first witnesses as trial kicked off for several Bundy accused co-conspirators charged with taking part in an armed standoff with the government three-years-ago.

Interior energy rules land in CRA crosshairs

Energywire, Monday, February 13 (Full story attached)

A group of GOP lawmakers representing Western states has proposed to repeal at least eight rules related to oil and gas extraction on federally controlled lands and waters, using powers granted under the Congressional Review Act (CRA). The House has already passed two of those measures: to repeal the Bureau of Land Management's methane and Planning 2.0 rules. A third, which would block a revision of the Office of Natural Resources Revenue's (ONRR) mineral valuation rule, is expected to be introduced today by Rep. Scott Tipton (R-Colo.).

LETTER: Let's quit squabbling over Gold Butte and enjoy it

Las Vegas Review-Journal, Wednesday, February 15

I watched in semi-amusement, but with some horror at the unnecessary hysteria taking place Thursday night at the BLM Gold Butte National Monument information meeting (Friday Review-Journal). Lost on the anti-monument crowd was a statement by a gentleman of Southern Paiute descent who scoffed at the 200-year resident claims, stating correctly that his ancestors have been in the area much longer.

<u>Utah Business Owners Oppose Grand Stairc</u>ase-Escalante Resolution.

Salt Lake (UT) Tribune, February 15

The Salt Lake Tribune reports that Garfield County commissioners have "hit the pause button on a proposed resolution targeting the Grand Staircase-Escalante National Monument after dozens of Boulder and Escalante business owners implored them to consider the monument's economic benefits before voting to drastically shrink it." Business operators claim that the monument "drives a thriving and diverse economy, contrary to claims by elected leaders that it has sunk the county into a 'state of emergency." Commissioners "agreed to hold a hearing March 13 before voting on whether to ask Congress to contract the Grand Staircase boundaries."

BLM Calls Wild Horse Slaughter Story "Fake News".

The Horse, February 16,

The Bureau of Land Management has "labeled an article claiming the agency plans to slaughter more than 40,000 wild horses as fake news." According to the article, "a Jan. 30 article published by the website Native Indigenous American alleges that the Department of the Interior

voted Jan. 27 to slaughter 67% of the wild horses remaining in the United States." In response, Tom Gorey, BLM senior public affairs specialist, said the article was "fake news." He said, "The agency's policy is to not sell or send wild horses or burros to slaughter and there has been no congressional direction to the contrary."

Hiring Freeze Raises Firefighting Concerns.

KAJO, February 16, Additional Coverage

Additional coverage that Sen. Ron Wyden has raised "concerns about the impact a 90-day federal employee hiring freeze might have on the seasonal firefighting force" with the Interior Department was provided by KAJO-AM Grants Pass, OR (2/16, Marsh).

Bill Would Study Moving Oregon Public Land To State Control

Salem (OR) Statesman Journal, February 16

"Four Republican lawmakers want to study the idea of transferring Oregon's federal public lands to state control." House Bill 2365 would "create a task force to analyze the benefit and cost of an idea that has become a political lightning rod both nationally and locally." The bill's chief sponsor, Rep. Carl Wilson, "emphasized that his bill was only asking for a study," and "he also emphasized that neither he nor his bill intend to sell Oregon's public land into private ownership."

Central Oregon rep drops support for lands transfer bill

Bend (OR) Bulletin, February 16

Rep. Gene Whisnant "withdrew his sponsorship" the bill. Whisnant "defended his support for the bill" on Thursday, "but announced that he will no longer be sponsoring it, citing a flurry of emails and calls from concerned citizens and conservation organizations."

Why You Need the internet to Drill in the U'S.

Bloomberg News, February 16

The Obama administration largely put an end to old-school federal energy auctions last year, just when they were starting to get interesting. Those barker-and-gavel sessions, long the primary way the Bureau of Land Management sold leasing rights for oil and gas drilling on federal property, had become targets for climate activists. A year ago, a conservationist worried about drilling near her home in Utah paid \$2,500 for the rights to 1,120 acres of federal land. (She put the purchase on a credit card.) The BLM rescinded the lease months later after she'd made it clear she didn't intend to drill.

Op-Ed: Recreation Economy Depends Upon Protection Of Public Lands.

Cortez (CO) Journal, February 16

Diane Wren, the owner of Osprey Packs, writes that as Rep. Ryan Zinke is "being considered as our new interior Secretary in Washington, and as the Trump administration begins to review its own public lands policy, there are two things that are important for a new administration to take to heart: The vital role America's public lands play in the \$646 billion national outdoor recreation economy, and the broad public support for the president's historic ability to use the Antiquities Act to protect sensitive scientific and culturally significant lands in the future." If confirmed, Wren hopes that Zinke will "listen to an American public that overwhelmingly supports protecting our public lands for the future." Wren urges "the new administration to stand for what makes America, and Colorado, great — our shared public lands and the ability of the president and the Interior Department to protect them for future generations via the Antiquities Act."

Chaffetz Calls for Wider Probe of US Agent Key in Standoff

Associated Press, February 17

U.S. Rep. Jason Chaffetz of Utah has called for a wider probe of a federal Bureau of Land Management agent who played a key role in the standoff with Nevada rancher Cliven Bundy before coming under investigation for his activities at Burning Man. The chair of the House Oversight Committee said in a letter that the allegations against Salt Lake City supervisor Daniel Love could undermine trust in the agency and should be probed by Department of Interior inspectors. The department's Office of Inspector General did not immediately respond to a request for comment on the letter released on Friday.

Congress repealing Obama's last-minute rules

Idahostatejournal, February, 17

Congress has moved swiftly and boldly to repeal overreaching last-minute rules from the Obama administration, reasserting its constitutional duty to make the law and pushing back against abuse of executive authority... For Idaho, the most important rule headed for repeal is the Bureau of Land Management's "Planning 2.0 Rule."

Fight Over Public Lands Unite Sportsmen And Environmentalists.

Reuters, February 17

Sportsmen and environmentalists are uniting against efforts to transfer federal lands to state control. Both groups "fear" that doing so "could open them up to drilling and coal mining rather than recreation and preservation." The article notes that "recent funding data from the Foundation Center database, which aggregates information from tax filings, shows groups such as the Backcountry Hunters and Anglers and the Outdoor Alliance have accepted grants from big environmental and liberal foundations, including the Turner Foundation and the William and Flora Hewlett Foundation."

N.M. gravel mining ban reintroduced

E&E News reporter, February 17, 2017

New Mexico lawmakers this week introduced bills in both the House and Senate to block gravel mining on federal land north of Albuquerque.

Democratic Sens. Martin Heinrich and Tom Udall introduced the Senate version, <u>S. 390</u>. Rep. Michelle Lujan Grisham, also a Democrat, put forth H.R. 1085.

Debate over gravel mining in Sandoval County heated up in 2012 with a draft resource management plan from the Bureau of Land Management.

The plan outlined mineral development in and around the Crest of Montezuma, a wildlife corridor linking three mountain ranges in the central part of the state (<u>Greenwire</u>, May 24, 2012).

"The Crest of Montezuma and the Buffalo Tract have incredible ecosystems and many uses, both sacred and utilitarian," Heinrich said in a statement.

Sandoval County, the town of Bernalillo, the Merced De Comunidad De San Antonio De Las Huertas, the San Felipe Pueblo, the Santa Ana Pueblo and some Placitas residents have all come out in opposition to local gravel mining.

"Most concerning to them are the ways in which a gravel mine would impact their health, quality of life, water supply, and continued access," Heinrich said in a statement.

The "Buffalo Tract Protection Act" would withdraw four parcels of BLM land from minerals laws, making the area off limits to new mining.

Heinrich said: "By withdrawing these areas, New Mexicans can be sure that the land is not developed for mineral resources and their way of life and public health are protected."

What to do with wild horses

Abc10.com, February 17

Wild horses are federally protected animals, and over the last 30 years, their population has exploded. Managing the population has become a daunting and controversial task, which now costs tax payers more than \$75 million a year... The wild horses aren't the only animals on BLM land, either, sharing that land with wildlife and cattle. Its BLM's job to make sure that public land is not overgrazed by any animals. When the wild horse population grows, congress orders BLM to round-up horses and relocate or adopt them out as pets.

Letter names BLM agent in charge of Bundy case as target of federal ethics probe

Reviewjournal, February 18

Bureau of Land Management agent Dan Love, a central figure in the government's case against rancher Cliven Bundy, has been identified as the target of a federal ethics probe in a letter two congressional lawmakers sent to the Office of the Inspector General.

A year later, sage grouse conservation in mining areas still a matter of debate

Elkodaily, February 20

More than a year ago, environmentalists, oil and gas operators and landowners across the West waited to hear whether the greater sage grouse would be listed as an endangered species... However, the department that oversees the Bureau of Land Management sidelined one piece of the sagebrush conservation pie for further study and public review: the potential removal of certain sage grouse habitats across six states, including Wyoming, from future hard rock mining.

Las Vegas trial in Bunkerville standoff case delayed a week

Reviewjournal, February 20

Citing the federal Presidents Day holiday and scheduling issues on other days, U.S. District Judge Gloria Navarro decided last week to put the case on hold for a week.

In latest skirmish of western land wars, Congress supports mining and ranching

The Conversation, February 20

Republicans in Congress are enthusiastically using the Congressional Review Act to overturn regulations finalized during the last weeks of the Obama administration. One measure on their list is the Bureau of Land Management's new Planning 2.0 rule, which is designed to improve BLM's process for making decisions about ranching, energy development and other uses of public lands. The House has already voted to repeal the rule, and the Senate is likely to follow.

Sarah K. Webster

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Visit us online at https://www.blm.gov/california

Interior energy rules land in CRA crosshairs

Energywire, Monday, February 13

Resolutions to kill a pair of signature Obama-era Interior regulations are just the tip of the iceberg for Republican lawmakers seeking to loosen the federal government's grip on energy development on public lands.

A group of GOP lawmakers representing Western states has proposed to repeal at least eight rules related to oil and gas extraction on federally controlled lands and waters, using powers granted under the Congressional Review Act (CRA).

The House has already passed two of those measures: to repeal the Bureau of Land Management's methane and Planning 2.0 rules. A third, which would block a revision of the Office of Natural Resources Revenue's (ONRR) mineral valuation rule, is expected to be introduced today by Rep. Scott Tipton (R-Colo.).

"Preventing oil and gas production was the Obama administration's motive, and that's why a lot of these rules were so flawed," said Jeff Small, executive director of the Western Caucus. "They were direct attacks on affordable energy."

The caucus is targeting 13 rules President Obama introduced during his last months in office. Not all of the regulations listed affect oil and gas operations, and some — like Planning 2.0 — are not specific to the industry, but affect oversight of productive uses of public lands.

Opponents of the rule repeals are sounding the alarm that Congress is conforming too closely to the oil industry's demands.

"This campaign to destroy the Obama administration's rational environmental protections only benefits the modern-day pirates who raid public lands for short-term profit and leave wastelands for the community to clean up. It's incredible to me that after all this time, the Republican playbook is still limited to corporate cronyism, trickle-down economics and empty promises," Rep. Raúl Grijalva (D-Ariz.) said in an emailed statement.

The regulatory slim-down offers a lifeline for small producers who are struggling to continue to operate in a low-price environment, said Katie Brown, spokeswoman for the industry research group Energy In Depth.

"Many of these rules would dramatically decrease production on federal lands, hurting small producers the most," she said. "The venting and flaring rule, for instance, requires that even low-production wells — which have negligible emissions — install expensive technology."

It makes sense that the oil and gas industry would oppose the rules the Western Caucus has lined up for the guillotine, said Tyson Slocum, energy program director for the advocacy group Public Citizen.

"These rules establish basic minimum standards," he said. "Complying with that is going to add some costs. If you are in the energy business, you want to cut costs as much as possible."

But repealing regulations is unlikely to have more than a marginal impact on increasing federal mineral extraction, Slocum said.

"The driving force of domestic energy production is the market price of the commodity," he said. While BLM's venting and flaring requirements were known to be controversial, pushback against some of the rules on the caucus's list is puzzling, said Alexandra Teitz, former counselor to BLM Director Neil Kornze.

"These rules are a series of actions to try and do a better job of overseeing oil and gas activities on public lands, and Congress is running roughshod over rules that were developed over years of work, through open public processes, with tens or hundreds of thousands of commenters," she said.

The items on the caucus list ensure that oil and gas production occurs in a safe, environmentally responsible manner, Teitz said. The rules do not constrain the quantity of hydrocarbons that can be withdrawn from federal tracts.

"Absent this truncated CRA process, these are not the types of rules Congress would normally get involved in," she said. "They're just not that controversial, that costly."

ONRR valuation up next

Two major oil and gas industry associations — the American Petroleum Institute and Western Energy Alliance — have joined mining groups, wool growers and other interests to back a resolution blocking revision of ONRR's mineral production valuation rule.

The change, which was adopted after a five-year rulemaking process, provides a mechanism for calculating royalties that better reflects changes in the oil, gas and coal industries, according to a June 30 Interior news release. The government's valuation regulations were last updated in the 1980s, the agency said.

Tipton's resolution to kill the rule requires the support of a simple majority to pass the House and Senate. "The Office of Natural Resources Revenue's (ONRR) new rule ostensibly sought to simplify and clarify the process for valuing oil, gas, and coal production on federal and Indian lands in order to provide 'certainty' to industry and to ensure all royalties due to ONRR have been paid," the Western Caucus wrote. "In fact, it did the opposite."

Striking down the ONRR rule could allow producers to sell their minerals at an artificially low rate, circumventing their royalty obligations, according to RulesatRisk.org, a project by Public Citizen to oppose use of the CRA.

"The rule simply makes economic and environmental sense. It ensures that royalties are paid on the first arm's-length transaction of a sale so that coal companies can no longer use their affiliates to dodge royalty payments," the website says. "Repealing the rule would cheat Americans out of a fair return for taxpayer-owned resources on public lands."

Onshore Order 3

Also on deck is BLM's Onshore Order 3, one of a series of rules the bureau crafted in response to a Government Accountability Office report finding that the agency's system for measuring oil and gas production on public lands was inadequate.

The Western Caucus said the order would have "little to no measurable impact" on the accuracy of BLM's accounting.

"The BLM tried to justify these extreme changes by claiming they needed to act to ensure the correct amount of royalty is paid to the U.S. government," the caucus wrote. "However, these changes will only decrease federal revenues by pushing production off federal lands."

Benefits of the measurement adjustment cut both ways, said Dylan Fuge, former counselor to Kornze. The correction ensures not only that the government collects the royalties it is due, but also that companies do not pay more than they owe.

"I know the oil and gas industry has expressed concerns about the costs," Fuge said. "We heard the concerns about costs. We responded to them directly" after the draft version of the order was released. "I think if folks went back and took a careful look, they'll see we addressed those concerns in the final rule," he added.

Mitigation

A third rule on the caucus's wish list for repeal is the Fish and Wildlife Service's Compensatory Mitigation Policy (CMP).

GOP legislators say the policy was born from an "overreaching" Obama administration memorandum directing agencies to set a net benefit, or at least a no-net-loss, goal for important, scarce or sensitive natural resources when possible.

The CMP creates "regulatory confusion" for many industries and activities on public lands, including energy production, the caucus wrote.

The CMP's repeal would again send federal regulations back to the 1980s, said Natural Resources Defense Council attorney Katie Umekubo.

"All that we've learned about mitigation and conservation science in that time was put into this policy," she said.

The CMP allows for advanced mitigation planning that lets developers reduce impacts at a landscape level, rather than project by project. That approach is a key element of industry's critique of Planning 2.0 (Energywire, Feb. 8).

By using CRA to eliminate the CMP, "we not only lose that consistency and clarity, we also lose the ability for the service to redo it," Umekubo said.

Will any CRA-eligible rules be spared?

Republicans in Congress appear to be ushering to the chopping block most rules Obama's Interior passed after June 13, 2016, the cutoff date for use of the CRA.

The Western Caucus has also proposed repeal of the Bureau of Safety and Environmental Enforcement's Arctic drilling rule, the National Park Service's oil and gas rule, and FWS's oil and gas refuge rule. Small said caucus members support some of the last administration's public lands rules but did not offer examples of which regulations he thought should stand. Because the clock runs out on CRA this spring, lawmakers have been laser-focused on the rules they can reverse, he said.

"Our members do support common-sense regulations that protect the environment, but there needs to be a balance. The Obama administration took it the other way," Small said. "Our members would like to see it get back to a balanced approach that still protects our communities and our citizens."

Legal experts have questioned the extent to which the government could revisit regulations CRA is being used to scrap (Energywire, Feb. 1). The act provides that an agency cannot reintroduce a rule in "substantially the same form."

That won't be a problem, since reissuing laws should be the job of Congress — not the administration, Small said.

"If there's a need for a new rule or a new regulation or for this process to be more clear, Congress can pass a law and set parameters and define how this process should work," he said. "We're not fearful at all that utilization of the CRA would affect any type of balance in the future."

Use of the CRA seems to turn on its head conventional understanding that future administrations will take a second look at rules passed by their predecessors, said Alan Rowsome, the Wilderness Society's senior director of government relations for lands.

"It's an extensive list," he said. "It would say a lot about the oil and gas industry's ability to wield power over the congressional schedule if the House and Senate are prepared to use a significant amount of time and taxpayer dollars to go through each and every one of these Congressional Review Act issues."

The Senate could vote on BLM's methane and Planning 2.0 regulations this week.